

CIA's Activity Planning, Authorization and  
Budgetary Control System

1. ~~Exactly~~ 11 of the major recommendations contained in the IG's survey are in effect criticisms of CIA's system for the planning authorization and budgetary control of its activities (Recommendations 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 20). In addition, several other recommendations are closely related thereto (Recommendations 6, 7, for example).

2. It is quite apparent from the text of the Inspector General's survey report and from the comments of the Comptroller that these two officials do not have a common concept as to the type of activity planning, authorization and control system CIA should have. Some of the Inspector General's recommendations are probably sound under any system CIA is likely to adopt. Others, however, can only be considered in terms of the activity planning, authorization and control system which CIA desires to establish.

3. On this point, attention must be called to the fact that CIA is in the midst of a strenuous but relatively uncoordinated effort to develop a satisfactory system of activity planning, authorization and control. New Agency Regulation [REDACTED] have been under development for months and are about to be published. Of equal, if not greater, importance is the fact that the entire DD/P area is rounding out its second year in the development of an effective activity planning and control system. Yet even this effort is in an evolutionary stage.

4. It is unfortunate that the Inspector General's survey of the Agency activities planning and approval system together with the related budgetary control system took place at a period when major changes were being made. I strongly suspect that this fact resulted in the development of an incomplete if not erroneous concept of the Agency's activity control system on the part of the Inspector General.

5. At the same time <sup>being evolved</sup> ~~I personally believe~~ <sup>it is very possible that there</sup> there are some serious defects in the system. <sup>might be</sup> The most serious, ~~in my opinion~~ is that there has been a lack of central guidance and coordinated effort among Agency officials concerned. With the exception of <sup>a</sup>the few officials (principally the Comptroller and the Chief, [REDACTED] DDP) very few Agency officials have been informed of our objectives or have given the problem serious consideration. This situation has been aggravated by the fact that the Agency system has never been given

adequate publicity. For the most part only the technicians have a practical understanding as to what we are trying to accomplish and how we propose to do it.

6. In view of the preceding, I urge that no action be taken on the individual recommendations in the Inspector General's report bearing on this subject. Instead, I urge that an ad hoc task force of senior Agency officials, including the Inspector General, be designated to review and report to the DCI upon the adequacy of CIA's activity planning, authorization and control system. This group should be given a complete briefing on the present and projected system by the Chief, [REDACTED], DD/P, the Comptroller and a spokesman for the Project Review Committee in order that the entire system can be objectively viewed and evaluated.

7. The ~~recommendation made and the deficiencies noted by this~~  
~~ad hoc committee, as approved by the Director Central Intelligence,~~  
should provide for the first time in CIA's history a course of action which can be carried out effectively and expeditiously on a coordinated basis.

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6. In view of the preceding facts and developments I recommend that an ad hoc task force be established to review each and every major aspect of the problem of not only planning for the authorization and administration of these projects but the more important problem of ensuring effective and realistic supervision and administration of them thereafter. A suggested task force would include representatives of the Comptroller, [REDACTED] General Counsel, Inspector General, the Senior Staffs of the DD/P, [REDACTED] Staff/DDP. The instruction to the Task Force should be to thoroughly review the present system for the authorization and administration of projects of this type and to recommend appropriate revisions in the system or a complete new system. Approximately three months should be allowed for the completion of this assignment. 25X1A 25X1A

7. Pending the completion of this task, it is recommended that action be taken on the pertinent recommendations by disseminating the appropriate survey text and recommendations to not only the Comptroller but to [REDACTED] and the SSA-DD/S with instructions to initiate corrective action on all matters of obvious deficiency and to refer all questionable matters to the Task Force for its consideration in its study. 25X1A

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Exemption of Certain Agency Activities from Normal  
Agency Operational and Administrative Controls and Processes

1. Recommendations 3 and 5 of the Inspector General's survey point out the exclusion of numerous projects and activities from normal Agency controls and processes. Basically, the reason for such exemptions and waivers has been the alleged high degree of sensitivity underlying these activities. Accordingly any action taken on these recommendations should be carefully thought out and be considered jointly by the DD/P, the DD/S and the Director Central Intelligence.

2. It is my personal opinion that many of these waivers and exemptions have not only been unwarranted but ill-advised from a security, Agency morale and political point of view. In addition I believe the impetus to seek waivers has in part been based upon:

a. Lack of confidence in the security concepts, standards and practices of Support components; and

b. Lack of <sup>conf</sup> confidence ~~in the competence of~~ Support personnel into whose hands complicated or extremely sensitive projects might fall if handled routinely.

3. There is enough validity to these two fears to warrant the development of special procedures for the handling of such projects. Many support personnel do lack adequate experience to cope with such projects.

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